



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
LANSING



STEVEN E. CHESTER  
DIRECTOR

April 20, 2007

The Honorable Patricia L. Birkholz, Chair  
Senate Natural Resources and  
Environmental Affairs Committee  
State Capitol  
P.O. Box 30036  
Lansing, Michigan 48909-7536

The Honorable Joel Sheltrown, Chair  
House Tourism, Outdoor Recreation and  
Natural Resources Committee  
State Capitol  
P.O. Box 30014  
Lansing, Michigan 48909-7514

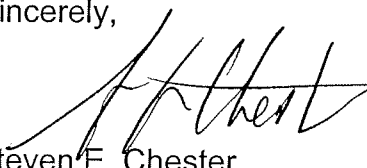
The Honorable Rebekah Warren, Chair  
House Great Lakes and Environment Committee  
State Capitol  
P.O. Box 30014  
Lansing, Michigan 48909-7514

Dear Senator Birkholz and Representatives Sheltrown and Warren:

Section 63711(8) of Part 637, Sand Dune Mining, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, requires the Department of Environmental Quality (DEQ) to provide a report to the Legislature on sand dune mining surveillance activities for the immediately preceding year and the cost of those activities. In accordance with the requirements of Section 324.63711(8), we are submitting the Sand Dune Mining Annual Report for fiscal year 2005-2006.

If you have any questions or need additional information, please contact Mr. Harold R. Fitch, Director, Office of Geological Survey, at 517-241-1548, or you may contact me.

Sincerely,



Steven E. Chester  
Director  
517-373-7917

Enclosure

cc/enc: Ms. Teresa Bingman, Governor's Office  
Mr. Stanley F. Pruss, Deputy Director, DEQ  
Ms. Carol Linteau, Legislative Liaison, DEQ  
Mr. James Kasprzak, DEQ  
Mr. Harold R. Fitch, DEQ  
Ms. Kathy Tetzlaff, DEQ

# **Sand Dune Mining Annual Report**

**(Fiscal Year 2005-2006)**



Michigan Department of Environmental Quality  
Office of Geological Survey

Pursuant to Part 637, Sand Dune Mining,  
of the Natural Resources and Environmental Protection Act,  
1994 PA 451, as amended

For more information on the Sand Dune Mining Program, please contact:  
Steven E. Wilson, Minerals & Mapping Unit  
Office of Geological Survey  
P.O. Box 30256, Lansing, Michigan 48909-7756  
517-241-1542

## **SAND DUNE MINING ANNUAL REPORT FISCAL YEAR 2005-2006**

The Office of Geological Survey (OGS) of the Department of Environmental Quality (DEQ) administers the Sand Dune Mining Program under Part 637, Sand Dune Mining, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Part 637 prescribes the requirements for the permitting, mining, and reclamation of sand mining operations in designated Great Lakes sand dune areas. Sand mined from these areas is used primarily in the foundry industry to make molds and cores for hot metal castings. The program is funded entirely by the collection of an annual surveillance fee assessed to the sand dune mining operators, not to exceed \$0.10 per ton of sand mined per calendar year.

The responsibilities for permitting, surveillance, enforcement, and administration of the Sand Dune Mining Program are distributed among several staff of the OGS.

During fiscal year (FY) 2005-2006, there were 14 permitted sand dune mining sites active in Michigan. Some mining activity took place at 11 of these sites during the year. It should be noted that 5 of these 11 sites accounted for 95 percent of the total sand production from all of the sites. During calendar year 2006, 1,648,780 tons of sand were produced—down from 1,852,712 in 2005. The annual surveillance fee was set at \$0.03032 per ton. This will reduce the estimated fiscal year carry-forward by about one-third, to approximately \$62,000. That amount is commensurate with the funds needed to cover program costs and contingencies from the beginning of the fiscal year until fees are collected in March.

All mining sites are located within two miles of the Lake Michigan shoreline. Most of the currently active sites are located between Benton Harbor and Muskegon. One site is located in Mackinac County in the Upper Peninsula.

### **Permitting Activities**

Staff of the OGS reviewed six applications for permit renewals.

### **Surveillance and Enforcement Activities**

OGS staff conducted a total of 62 on-site inspections at permitted sites during the fiscal year. Staff responded to a number of inquiries, concerns, or complaints from individual citizens and local environmental action groups.

## **Funding**

### Fiscal Year 2005-2006

Program funding consists of unexpended balances carried forward from the previous fiscal year combined with current year revenues derived from the production fees based on total tons of sand produced during the previous calendar year.

Total Funds Available – FY 2005-2006	\$196,300
Fund Balance from FY 2004-2005	\$139,530
Fee Revenue – FY 2005-2006	\$31,703
Expenditures – FY 2005-2006	\$78,736
Fund Balance end of FY 2005-2006	\$92,497

### Fiscal Year 2006-2007 Projections

Calendar Year 2006 Production in Tons	1,648,780
Collection Fee Multiplier per Ton	\$0.03032
Estimated Fee Revenue – FY 2006-2007	\$50,000
Fund Balance from FY 2005-2006	\$92,497
Estimated Expenditures – FY 2006-2007	\$80,900
Estimated Fund Balance end of FY 2006-2007	\$61,597